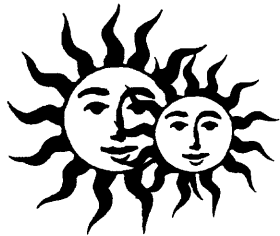


0006



## Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

January 25, 2006

Pam Grubaugh-Littig  
STATE OF UTAH  
Division of Oil, Gas & Mining  
1594 W. North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Annual 2005 Inspection Report  
Sunnyside Refuse and Slurry C/007/035

*Handwritten signature: J. Neal*  
*Handwritten text: C/007/0035*

Dear Pam:

Please find enclosed a copy of the Annual 2005 Inspection Report for the Sunnyside refuse pile, impoundments, and excess spoil areas. The inspection was performed by a professional engineer from Psomas and Associates Engineering.

Should you have any questions, please contact Rusty Netz or myself at (435)888-4476.

Thank You,

Michael J. Blakey  
Agent For  
Sunnyside Cogeneration Associates

Enclosure

c.c. Robert Escalante  
Rusty Netz  
Plant File

RECEIVED

FEB 02 2006

DIV. OF OIL, GAS & MINING

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		Clear Water Pond	
<b>Permit Number</b>	ACT/007/035	<b>Report Date</b> 1/20/06	
<b>Mine Name</b>	SUNNYSIDE REFUSE AND SLURRY		
<b>Company Name</b>	SUNNYSIDE COGENERATION ASSOCIATES		
<b>Impoundment Identification</b>	<b>Impoundment Name</b>	Clear Water Pond	
	<b>Impoundment Number</b>	004	
	<b>UPDES Permit Number</b>	UT 024759	
	<b>MSHA ID Number</b>	N/A	
<b>IMPOUNDMENT INSPECTION</b>			
<b>Inspection Date</b>	December 14, 2005		
<b>Inspected By</b>	Rusty Netz		
<b>Reason for Inspection</b> (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>Storage Capacity = 4.9 acre-feet          Maximum Sediment Depth Elevation = 6527          Existing Sediment Elevation = 6523+-</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation = 6530.1</p>		

**IMPOUNDMENT INSPECTION AND CERTIFIED REPORT**

Clear Water Pond

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good

No structural or hazardous conditions exist.

- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Pond was essentially empty.

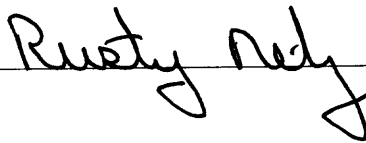
No structure or stability problems observed.

In accordance with the approved plan to construct the Excess Spoil Disposal area #2, the Slurry Ponds #1 and #2 no longer receive storm runoff. These storm flows are now routed either directly to the East Slurry Cell or to the Clear Water Pond. With the reclamation activities at Sunnyside Coal, both of these ponds have ample capacity to handle the storm flows without the Slurry Ponds in series.

**Qualification Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:



Date: 1/20/06

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		Railcut Pond	
<b>Permit Number</b>	ACT/007/035	<b>Report Date</b> 1/20/06	
<b>Mine Name</b>	SUNNYSIDE REFUSE AND SLURRY		
<b>Company Name</b>	SUNNYSIDE COGENERATION ASSOCIATES		
<b>Impoundment Identification</b>	<b>Impoundment Name</b>	Railcut Sediment Pond	
	<b>Impoundment Number</b>	007	
	<b>UPDES Permit Number</b>	UT 024759	
	<b>MSHA ID Number</b>	N/A	
<b>IMPOUNDMENT INSPECTION</b>			
<b>Inspection Date</b>	December 14, 2005		
<b>Inspected By</b>	Rusty Netz		
<b>Reason for Inspection</b> (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
<p><b>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</b></p> <p>NONE</p>			
<b>Required for an impoundment which functions as a SEDIMENTATION POND.</b>	<p><b>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</b></p> <p>Storage Capacity = 4.8 acre-feet  Maximum Sediment Depth Elevation = 6209  Estimated Existing Sediment Elevation = 6207+-</p>		
	<p><b>3. Principle and emergency spillway elevations.</b></p> <p>Spillway Elevation = 6212.34  Primary Drain Elevation = 6209.07  Maximum Sediment Depth Elevation = 6209.07</p>		

**IMPOUNDMENT INSPECTION AND CERTIFIED REPORT**

Railcut Pond

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, inlet/outlet conditions are good,  
no structural or hazardous conditions exist.

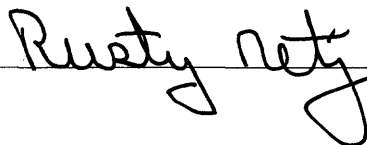
- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes. Pond was essentially empty.  
No structure or stability problems observed.

**Qualification  
Statement**

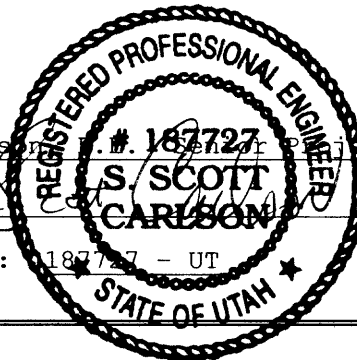
I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:



Date: 1/20/06

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Railcut Pond	
<b>CERTIFIED REPORT</b>			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
Certification Statement:	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p> <p>By: <u>S. Scott Carlsson</u> <u>187727</u> Senior Project Manager</p> <p>Signature: <u>[Signature]</u> Date: <u>1/20/06</u></p> <p>P.E. Number &amp; State: <u>187727</u> - UT</p>		



<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		OCRR Pond	
<b>Permit Number</b>	ACT/007/035	<b>Report Date</b> 1/20/06	
<b>Mine Name</b>	SUNNYSIDE REFUSE AND SLURRY		
<b>Company Name</b>	SUNNYSIDE COGENERATION ASSOCIATES		
<b>Impoundment Identification</b>	<b>Impoundment Name</b>	Old Coarse Refuse Road Sediment Pond	
	<b>Impoundment Number</b>	008	
	<b>UPDES Permit Number</b>	UT 024759	
	<b>MSHA ID Number</b>	N/A	
<b>IMPOUNDMENT INSPECTION</b>			
<b>Inspection Date</b>	December 14, 2005		
<b>Inspected By</b>	Rusty Netz		
<b>Reason for Inspection</b> (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
<p><b>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</b></p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p><b>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</b></p> <p>Storage Capacity = 0.9 acre-feet          Maximum Sediment Depth Elevation = 6394.75          Estimated Existing Sediment Elevation = 6394+-</p>		
	<p><b>3. Principle and emergency spillway elevations.</b></p> <p>Spillway Elevation = 6399.4          Primary Drain Elevation = 6395.75</p>		

**IMPOUNDMENT INSPECTION AND CERTIFIED REPORT**

OCRR Pond

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

No discharge, Pond was essentially empty. inlet/outlet conditions are good,  
No structural or hazardous conditions exist.

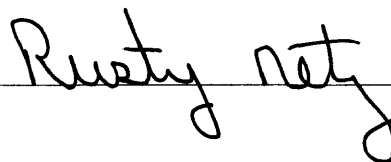
- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes, no structure or stability problems observed.

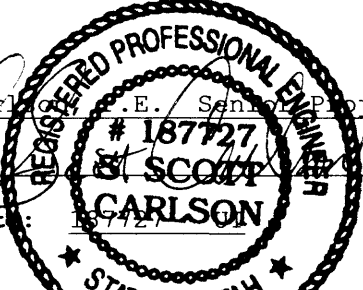
**Qualification Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:



Date: 1/20/06

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>	OCRR Pond	
<b>CERTIFIED REPORT</b>		
<b>IMPOUNDMENT EVALUATION</b> (If NO, explain under Comments)	<b>YES</b>	<b>NO</b>
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	
<b>COMMENTS AND OTHER INFORMATION</b>		
None		
<b>Certification Statement:</b>	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p> <div style="text-align: center; margin-top: 20px;">  </div> <p>By: <u>S. Scott Carlson</u> P.E. Senior Project Manager</p> <p>Signature: <u>[Signature]</u> Date: <u>1/20/06</u></p> <p>P.E. Number &amp; State: <u>187727 UT</u></p>	

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		Pasture Pond	
<b>Permit Number</b>	ACT/007/035	<b>Report Date</b> 1/20/06	
<b>Mine Name</b>	SUNNYSIDE REFUSE AND SLURRY		
<b>Company Name</b>	SUNNYSIDE COGENERATION ASSOCIATES		
<b>Impoundment Identification</b>	<b>Impoundment Name</b>	Pasture Sediment Pond	
	<b>Impoundment Number</b>	009	
	<b>UPDES Permit Number</b>	UT 024759	
	<b>MSHA ID Number</b>	N/A	
<b>IMPOUNDMENT INSPECTION</b>			
<b>Inspection Date</b>	December 14, 2005		
<b>Inspected By</b>	Rusty Netz		
<b>Reason for Inspection</b> (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
<p><b>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</b></p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p><b>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</b></p> <p>Storage Capacity = 1.0 acre-feet          Maximum Sediment Depth Elevation = 6485.5          Estimated Existing Sediment Elevation = 6484+-</p>		
	<p><b>3. Principle and emergency spillway elevations.</b></p> <p>Spillway Elevation = 6490.6          Primary Drain Elevation = 6486.6</p>		

**IMPOUNDMENT INSPECTION AND CERTIFIED REPORT**

Pasture Pond

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water in the bottom.  
No discharge, inlet/outlet conditions are good,  
No structural or hazardous conditions exist.

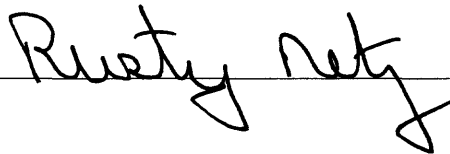
- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes. No structure or stability problems observed.

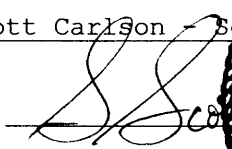
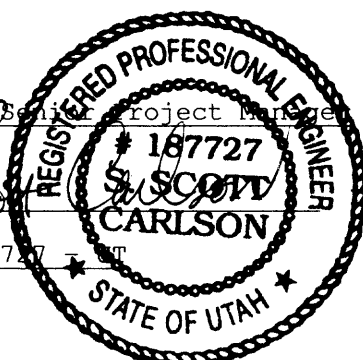
**Qualification Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature:



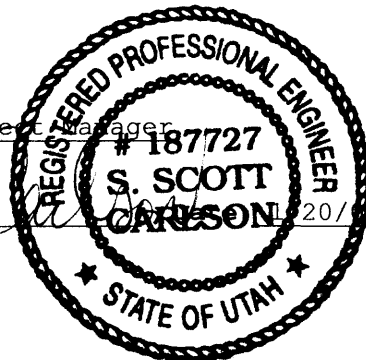
Date: 1/20/06

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>	Pasture Pond	
<b>CERTIFIED REPORT</b>		
<b>IMPOUNDMENT EVALUATION</b> (If NO, explain under Comments)	<b>YES</b>	<b>NO</b>
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	
<b>COMMENTS AND OTHER INFORMATION</b>		
<b>Certification Statement:</b>	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>	
By: <u>S. Scott Carlson</u> Senior Project Manager Signature:  P.E. Number & State: <u>187727</u> <u>UT</u>	<div style="text-align: center;">  </div> Date: <u>1/20/06</u>	

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		CRT Pond	
<b>Permit Number</b>	ACT/007/035	<b>Report Date</b> 1/20/06	
<b>Mine Name</b>	SUNNYSIDE REFUSE AND SLURRY		
<b>Company Name</b>	SUNNYSIDE COGENERATION ASSOCIATES		
<b>Impoundment Identification</b>	<b>Impoundment Name</b>	New Coarse Refuse Toe Sediment Pond	
	<b>Impoundment Number</b>	012	
	<b>UPDES Permit Number</b>	UT 024759	
	<b>MSHA ID Number</b>	N/A	
<b>IMPOUNDMENT INSPECTION</b>			
<b>Inspection Date</b>	December 14, 2005		
<b>Inspected By</b>	Rusty Netz		
<b>Reason for Inspection</b> (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
<p><b>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</b></p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p><b>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</b></p> <p>Storage Capacity = 1.6 acre-feet          Maximum Sediment Depth Elevation = 6177.0          Estimated Existing Sediment Elevation = 6176+-</p>		
	<p><b>3. Principle and emergency spillway elevations.</b></p> <p>Spillway Elevation = 6183.63          Primary Drain Elevation = 6178.2</p>		

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		CRT Pond	
<p><b>4. Field Information.</b> Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.</p> <p>Pond was essentially empty.          No discharge, inlet/outlet conditions are good,          No structural or hazardous conditions exist.</p>			
<p><b>5. Field Evaluation.</b> Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.</p> <p>No changes. No structure or stability problems observed.</p>			
<b>Qualification Statement</b>		<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.</p> <p>Signature: <u>Rusty Reddy</u> Date: <u>1/20/06</u></p>	

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		CRT Pond	
<b>CERTIFIED REPORT</b>			
IMPOUNDMENT EVALUATION (If NO, explain under Comments)		YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?		yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?		yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?		yes	
COMMENTS AND OTHER INFORMATION			
<b>Certification Statement:</b>		<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p> <p>By: <u>S. Scott Carlson - Senior Project Manager</u></p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number &amp; State: <u>187727 - UT</u></p>	



<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		COAL RUNOFF POND	
<b>Permit Number</b>	ACT/007/035	<b>Report Date</b> 1/20/06	
<b>Mine Name</b>	SUNNYSIDE REFUSE AND SLURRY		
<b>Company Name</b>	SUNNYSIDE COGENERATION ASSOCIATES		
<b>Impoundment Identification</b>	<b>Impoundment Name</b>	Coal Runoff Sediment Pond	
	<b>Impoundment Number</b>	014	
	<b>UPDES Permit Number</b>	UT 024759	
	<b>MSHA ID Number</b>	N/A	
<b>IMPOUNDMENT INSPECTION</b>			
<b>Inspection Date</b>	December 14, 2005		
<b>Inspected By</b>	Rusty Netz		
<b>Reason for Inspection</b> (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
<p><b>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</b></p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p><b>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</b></p> <p>Storage Capacity = 1.5 acre feet  Maximum Sediment Depth Elevation = 6476.0  Estimated Existing Sediment Elevation = 6475±</p>		
	<p><b>3. Principle and emergency spillway elevations.</b></p> <p>Spillway Elevation = 6477.9  Emergency Spillway Elevation = 6479.0</p>		

**IMPOUNDMENT INSPECTION AND CERTIFIED REPORT**

COAL RUNOFF POND

- 4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond was essentially empty.

No discharge, inlet and outlet conditions are good.

No structural or hazardous conditions exist.

- 5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

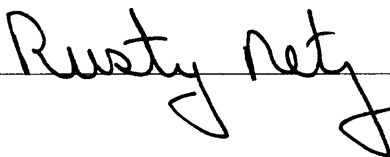
No changes.

No structure or stability problems observed.

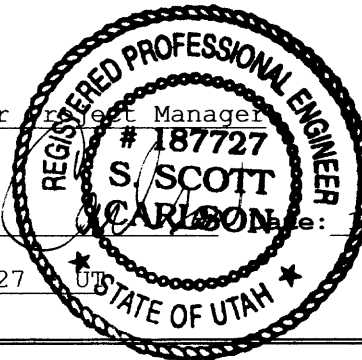
**Qualification  
Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: \_\_\_\_\_

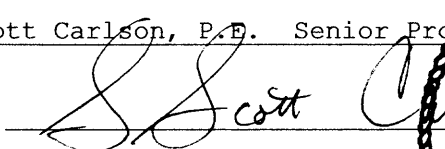
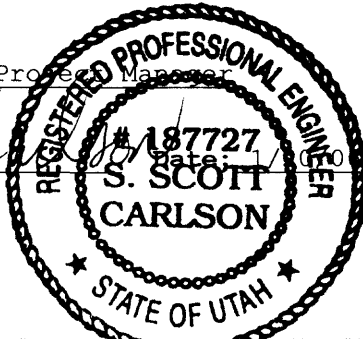
Date: 1/20/06

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>	COAL RUNOFF POND	
<b>CERTIFIED REPORT</b>		
<b>IMPOUNDMENT EVALUATION</b> (If NO, explain under Comments)	<b>YES</b>	<b>NO</b>
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	
<b>COMMENTS AND OTHER INFORMATION</b>		
None		
<b>Certification Statement:</b>	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>	
<b>By:</b> <u>S. Scott Carlson - Senior Project Manager</u> (Full Name and Title)	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <b>Signature:</b> <u><i>S. Scott</i></u> </div> <div style="flex: 1; text-align: right;"> <b>P.E. Number &amp; State:</b> <u>187727 UT</u> </div> </div>	



<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		Borrow Area Pond	
<b>Permit Number</b>	ACT/007/035	<b>Report Date</b> 1/20/06	
<b>Mine Name</b>	SUNNYSIDE REFUSE AND SLURRY		
<b>Company Name</b>	SUNNYSIDE COGENERATION ASSOCIATES		
<b>Impoundment Identification</b>	<b>Impoundment Name</b>	Borrow Area Pond	
	<b>Impoundment Number</b>	016	
	<b>UPDES Permit Number</b>	UT 024759	
	<b>MSHA ID Number</b>	N/A	
<b>IMPOUNDMENT INSPECTION</b>			
<b>Inspection Date</b>	December 14, 2005		
<b>Inspected By</b>	Rusty Netz		
<b>Reason for Inspection</b> (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
<p><b>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</b></p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p><b>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</b></p> <p>Storage Capacity = 8.3 acre-feet          Maximum Sediment Depth Elevation = 6513.3          Estimated Existing Sediment Elevation = 6511+-</p>		
	<p><b>3. Principle and emergency spillway elevations.</b></p> <p>Spillway Elevation = 6517.03          Primary Drain Elevation = 6514.3</p>		

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		<b>Borrow Area Pond</b>	
<p><b>4. Field Information.</b> Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.</p> <p>Pond was essentially empty. No discharge, inlet/outlet conditions are good, No structural or hazardous conditions exist.</p>			
<p><b>5. Field Evaluation.</b> Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.</p> <p>No changes. No structure or stability problems observed.</p>			
<b>Qualification Statement</b>	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.</p> <p>Signature: <u>Rusty net</u> Date: <u>1/20/06</u></p>		

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>	Borrow Area Pond	
<b>CERTIFIED REPORT</b>		
<b>IMPOUNDMENT EVALUATION (If NO, explain under Comments)</b>	<b>YES</b>	<b>NO</b>
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	
<b>COMMENTS AND OTHER INFORMATION</b>		
<div style="margin-left: 40px;">none</div>		
<b>Certification Statement:</b>	<p>I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p> <div style="margin-top: 20px;"> By: <u>S. Scott Carlson, P.E. Senior Project Manager</u> </div> <div style="margin-top: 10px;"> Signature: <u></u> </div> <div style="margin-top: 10px;"> P.E. Number &amp; State: <u>187727 Utah</u> </div> <div style="text-align: right; margin-top: 20px;">  </div>	

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		East Slurry Cell	
<b>Permit Number</b>	ACT/007/035	<b>Report Date</b> 1/20/06	
<b>Mine Name</b>	SUNNYSIDE REFUSE AND SLURRY		
<b>Company Name</b>	SUNNYSIDE COGENERATION ASSOCIATES		
<b>Impoundment Identification</b>	<b>Impoundment Name</b>	East Slurry Cell	
	<b>Impoundment Number</b>	N/A	
	<b>UPDES Permit Number</b>	N/A	
	<b>MSHA ID Number</b>	1211-UT-09-02093-02	
<b>IMPOUNDMENT INSPECTION</b>			
<b>Inspection Date</b>	December 14, 2005		
<b>Inspected By</b>	Rusty Netz		
<b>Reason for Inspection</b> (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
<p><b>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</b></p> <p>NONE</p>			
Required for an impoundment which functions as a SEDIMENTATION POND	<p><b>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</b></p> <p>Storage Capacity = 27+- acre-feet          Maximum Sediment Depth Elevation = N/A          Estimated Existing Sediment Elevation = N/A</p>		
	<p><b>3. Principle and emergency spillway elevations.</b></p> <p>N/A</p>		

**IMPOUNDMENT INSPECTION AND CERTIFIED REPORT**

East Slurry Cell

**4. Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond was essentially empty.  
No structural or hazardous conditions exist.

**5. Field Evaluation.** Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

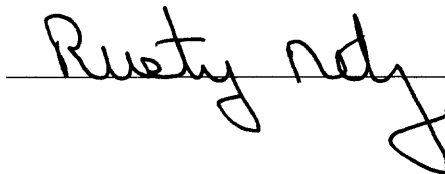
Slurry Cell is not receiving slurry from any source, currently functioning as a sediment pond and coal fine storage. No structural or stability problems observed.

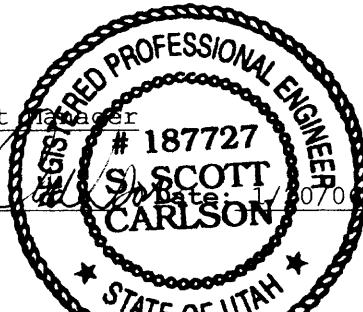
In accordance with the approved plan to construct the Excess Spoil Disposal area #2, the Slurry Ponds #1 and #2 no longer receive storm runoff. These storm flows are now routed either directly to the East Slurry Cell or to the Clear Water Pond. With the reclamation activities at Sunnyside Coal, both of these ponds have ample capacity to handle the storm flows without the Slurry Ponds in series.

**Qualification Statement**

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: \_\_\_\_\_

Date: 1/20/06

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>	East Slurry Cell	
<b>CERTIFIED REPORT</b>		
<b>IMPOUNDMENT EVALUATION (If NO, explain under Comments)</b>	<b>YES</b>	<b>NO</b>
1. Is impoundment designed and constructed in accordance with the approved plan?	yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	yes	
<b>COMMENTS AND OTHER INFORMATION</b>		
<b>Certification Statement:</b>	<p>I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.</p>	
<p>By: <u>S. Scott Carlson - Senior Project Manager</u> (Full Name and Title)</p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number &amp; State: <u>187727 - UT</u></p>		

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Coarse Refuse Pile
Permit Number	ACT/007/035	Report Date 1/20/06
Mine Name	SUNNYSIDE REFUSE AND SLURRY	
Company Name	SUNNYSIDE COGENERATION ASSOCIATES	
Excess Spoil Pile or Refuse Pile Identification	File Name:	Coarse Refuse Pile
	File Number	N/A
	MSHA ID Number	1211-UT-09-02093-01
Inspection Date	December 14, 2005	
Inspected By	Rusty Netz	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005
		Attachments to Report? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
<b>Field Evaluation</b>		
1. Foundation preparation, including the removal of all organic material and topsoil.  N/A		
2. Placement of underdrains and protective filter systems.  N/A		
3. Installation of final surface drainage systems.  N/A		
4. Placement and compaction of fill materials.  N/A  Removal of Coarse and fine Refuse Material Only		

INSPECTION AND CERTIFIED REPORT  
ON EXCESS SPOIL PILE OR REFUSE PILE

Coarse Refuse Pile

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions.

No smokers visible

7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.

Waste Coal Removal

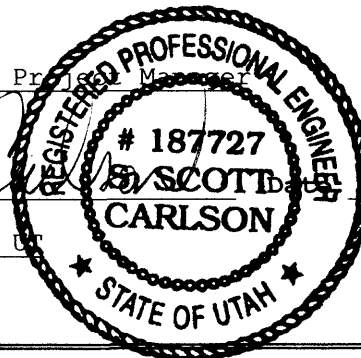
**Certification  
Statement**

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson - Senior Project Manager  
(Full Name and Title)

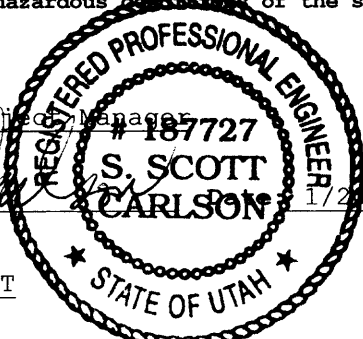
Signature:

P.E. Number & State: 187727 - UT

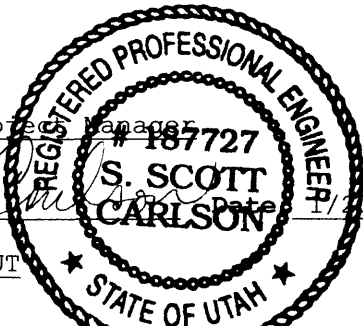


Date: 1/20/06

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Excess Spoil Pile #1	
Permit Number	ACT/007/035	Report Date 1/20/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Excess Spoil Pile or Refuse Pile Identification	Pile Name:	Excess Spoil Disposal Area #1	
	Pile Number	N/A	
	MSHA ID Number	1211-UT-09-02093-04	
Inspection Date	December 14, 2005		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
		Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
<b>Field Evaluation</b>			
1. Foundation preparation, including the removal of all organic material and topsoil. N/A			
2. Placement of underdrains and protective filter systems. N/A			
3. Installation of final surface drainage systems. N/A			
4. Placement and compaction of fill materials.  Did not receive spoils material during this year.			

<b>INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE</b>	<b>Excess Spoil Pile #1</b>	
<p>5. Final grading and revegetation of fill.</p> <p>N/A</p>		
<p>6. Appearances of instability, structural weakness, and other hazardous conditions.</p> <p>None</p>		
<p>7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.</p> <p>No Construction occurred during this year. Construction in previous years had been proceeding in shallow lifts in general conformance with the approved plan.</p> <p>No evidence exists of fires in the pile.</p>		
<b>Certification Statement</b>	<p>I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.</p> <p>By: <u>S. Scott Carlson</u> Senior Project Manager (Full Name and Title)</p> <p>Signature: <u><i>S. Scott Carlson</i></u></p> <p>P.E. Number &amp; State: <u>187727 - UT</u></p> 	

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		Excess Spoil Pile #2	
Permit Number	ACT/007/035	Report Date 1/20/06	
Mine Name	SUNNYSIDE REFUSE AND SLURRY		
Company Name	SUNNYSIDE COGENERATION ASSOCIATES		
Excess Spoil Pile or Refuse Pile Identification	Pile Name:	Excess Spoil Disposal Area #2	
	Pile Number	N/A	
	MSHA ID Number	1211-UT-09-02093-05	
Inspection Date	December 14, 2005		
Inspected By	Rusty Netz		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual Inspection 2005	
		Attachments to Report? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
<b>Field Evaluation</b>			
<p>1. Foundation preparation, including the removal of all organic material and topsoil.</p> <p>Existing disturbed site. No topsoil removal is required by approved plan.</p>			
<p>2. Placement of underdrains and protective filter systems.</p> <p>Under-drains and filters are not required by approved plan. The Slurry Ponds #1 and #2 no longer receive inflows of any storm waters. The inlet culverts have been removed and storm water rerouted to other impoundments.</p>			
<p>3. Installation of final surface drainage systems.</p> <p>N/A</p>			
<p>4. Placement and compaction of fill materials.</p> <p>Placement and compaction of fill material continues in this disposal area. Material consists generally of coarse refuse rejects and is being placed in general conformance with the approved plan.</p> <p>Approximately 41,575 tons of material were placed during the Year.</p>			

<b>INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE</b>	<b>Excess Spoil Pile #2</b>	
<p>5. Final grading and revegetation of fill.</p> <p>N/A</p>		
<p>6. Appearances of instability, structural weakness, and other hazardous conditions.</p> <p>None</p>		
<p>7. Other Comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.</p> <p>Both Slurry Pond #1 and Slurry Pond #2 were approved for and have been filled with coal mine waste and excess spoil in connection with construction of the Excess Spoil Disposal Area # 2. A pile is being constructed on top of the filled ponds with gentle slopes in accordance with the currently approved plan. See attached photos.</p> <p>The Clearwater Pond is also part of this disposal area but will continue to function as a sediment pond until such time as it is needed as a disposal site.</p> <p>In accordance with the approved plan, SCA has begun removing the coal fines lining the old slurry ditch along the east side of this pile. These materials are being used in the power plant. Removal of these materials facilitates the construction of the east access road and drainage ditch shown on the approved plan.</p>		
<b>Certification Statement</b>	<p>I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.</p> <p>By: <u>S. Scott Carlson - Senior Project Manager</u> (Full Name and Title)</p> <p>Signature: <u><i>S. Scott Carlson</i></u> Date: <u>1/20/06</u></p> <p>P.E. Number &amp; State: <u>187727 - UT</u></p> 	



Excess Spoil Disposal Area #2 Looking South

March 25, 2005



Excess Spoil Area #2 Looking south along the old slurry ditch

March 25, 2005



Excess Spoil Disposal Area #2 looking south

June 22, 2005



Exposed Wall along east side of Excess Spoil Disposal Area #2

June 22, 2005



Excess Spoil Disposal Area #2 North End looking westerly September 20, 2005



Excess Spoil Disposal Area #2 North End looking westerly Dec 14, 2005